



Army Contracting Agency Southern Region

Competitive Sourcing

**OMB Circular A-76
(Revised)**

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Overview Agenda

A-76 Overview

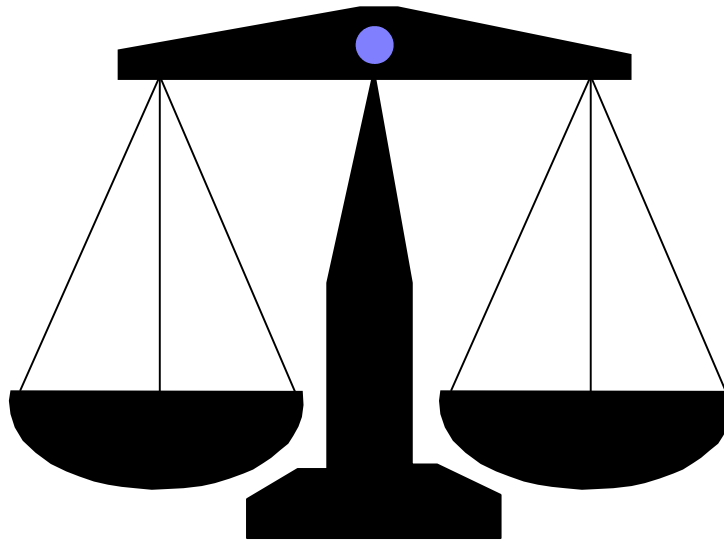
- **Some Changes.....**
 - **to the guidance & process**
 - **to ACASR's Centralization Procedures**
- **A-76 Requirements Status**



What is A-76?

It is a COMPETITION

\$
Government



\$
Private Sector

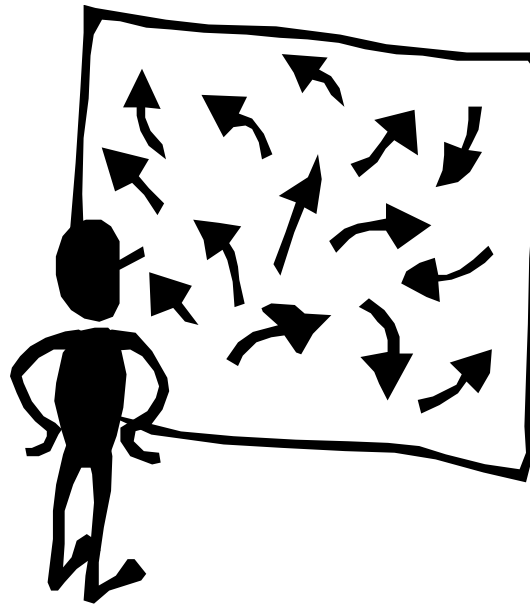
*ensures services are provided by the most efficient
& cost-effective source available*



An A-76 Competition Is -

COMPLEX

DYNAMIC



SCARY

DISRUPTING

**THERE IS NEVER A "RIGHT" TIME FOR AN A-76
STUDY**



Objectives for Revised OMB Circular A-76 (29 May 2003)

- Increase competition and entrepreneurship in the performance of Government services
- Create a more level playing field between the public and private sectors in competitive sourcing by treating the Government more like a private sector offeror
- Increase accountability
- Reduce the time required for competitive sourcing studies



REVISED A-76 TERMINOLOGY

NEW TERM

OLD TERM

Competitive Sourcing (CS) Study competition Activity Contest Agency Cost Estimate Agency Performance Agency Tender Agency Tender Official (ATO) Competition Number Conversion Differential Final Performance Decision Decision First Period of Full Performance Offeror Continuing Government Organization Contractor or Agency Performance Decision Letter of Obligation (LOO) Contest Performance Decision	A-76, Commercial Activities (CA) Competition, public-private Function Administrative Appeal In-House Cost Estimate In-House Performance Management Plan, In-house Offer, Govt Bid MEO Certifying Official CAMIS Number Minimum Conversion Differential Final Cost Comparison First Full Performance Period Private Sector/Public Reimbursable Residual Organization Contractor or MEO or In-House Win (No equivalent) Protest Cost Comparison Decision
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Common A-76 Acronyms

- **ATO** - Agency Tender Official
- **CGO** - Continuing Government Organization
- **CPAS** - Commercial Activities Proposed Action Summary
- **CSO** - Competitive Sourcing Official
- **FTE** - full-time equivalent
- **GFE** - Government-furnished equipment
- **GFP** - Government-furnished property
- **GIN** - Government-in-nature/ inherently governmental
- **HRA** - Human Resource Advisor

- **IHCE** - In-House Cost Estimate (Agency Cost Estimate)
- **MEO** - Most Efficient Organization
- **PWS** - Performance Work Statement
- **PRS** - Performance Requirements Summary
- **QASP** - Quality Assurance Surveillance Plan
- **SCF** - Standard Competition Form
- **SLCF** - Streamlined Competition Form
- **SSA** - Source Selection Authority
- **SSEB** - Source Selection Evaluation Board
- **TE** - Technical Exhibit



Important Distinctions

A-76/Competitive Sourcing: Government retains ownership & control over operations of the activity by:

- ✓ **Surveillance of contractor performance**
- ✓ **Performance by Government personnel**

• **A-76 is NOT privatization** (e.g. KTR owns Utilities infrastructure)

• **A-76 is NOT outsourcing** (Private performance pre-determined)

• **A-76 IS the Competitive Sourcing vehicle**



Key Changes in Revised OMB Circular 2003

- Standard Competition - (> 65 FTEs); 12 Months (18 Mos extension with waiver)
- Streamlined Competition - (65 or less FTEs); 90 days (135 days extension with waiver)
- No direct conversions - replaced by Streamlined Competitions
- Preliminary Planning - 9 step process which must be conducted before public announcement
- In- House Offers: Now termed Agency Tender



- 10



Key Changes in Revised OMB Circular 2003 (cont'd)

- Letter of Obligation (LOO): Not required under previous Circular (Similar to contract terms for private sector performance)
- Phase-In Plan: Required as part of solicitation (Phase-In was optional under previous Circular)
- Cost Comparison Decision: Now termed Performance Decision
- Agency Tenders and private sector offers must include a Quality Control Plan (Not clearly stated in previous Circular)
- Contests – Replaced Administrative Appeals (Standard competitions only)



Key Changes in Revised OMB Circular 2003 (cont'd)

- Post Competition Accountability for Contractor (contract administration) and for MEO (Post MEO Performance Review)
 - Performance IAW PWS?
 - Staffing and daily operations IAW proposal/AT?
 - Cost over-runs or under-runs? Due to workload changes/surges documented by contract/LOO modification? Due to unsatisfactory performance?
- Post-MEO Performance Reviews
 - Annually on all MEOs > 65 FTEs
 - Annually on at least 50% MEOs <= to 65 FTEs



Changes to FAIR Inventory Process under New A-76 Circular

- Agency shall prepare two annual inventories that categorize all activities performed as either commercial or inherently governmental
- Agency shall make inventories available to Congress and Public
- Designation of “inherently governmental” personnel made in writing and available to OMB and Public upon request.
- Justification in writing of all government personnel listed under reason code “A” (performing commercial activities but exempt from competition)
- Specifies inventory challenge and appeal procedures, with limited time to respond in writing (28 working days for challenge and 10 days to appeal adverse decision)



DoD Changes: National Defense Authorization Act 2006

- Contractor employee health benefits must equal share paid by DOD for federal employee benefits
- Must have MEO if > 10 positions being studied
- Must grant MEO Conversion Differential (10% of personnel costs or \$10M – whichever is lower)



A-76 Information Sources

- **OMB Circular A-76 (29 May 2003)**
- **AR 5-20 (23 May 2005)**
- **DA Pam 5-20 (31 July 1998)**
- **Govexec.com**
- **A-76 Seminars**
- **Annual National Def Auth Act**
- **DLA web site (www.dla.mil)**



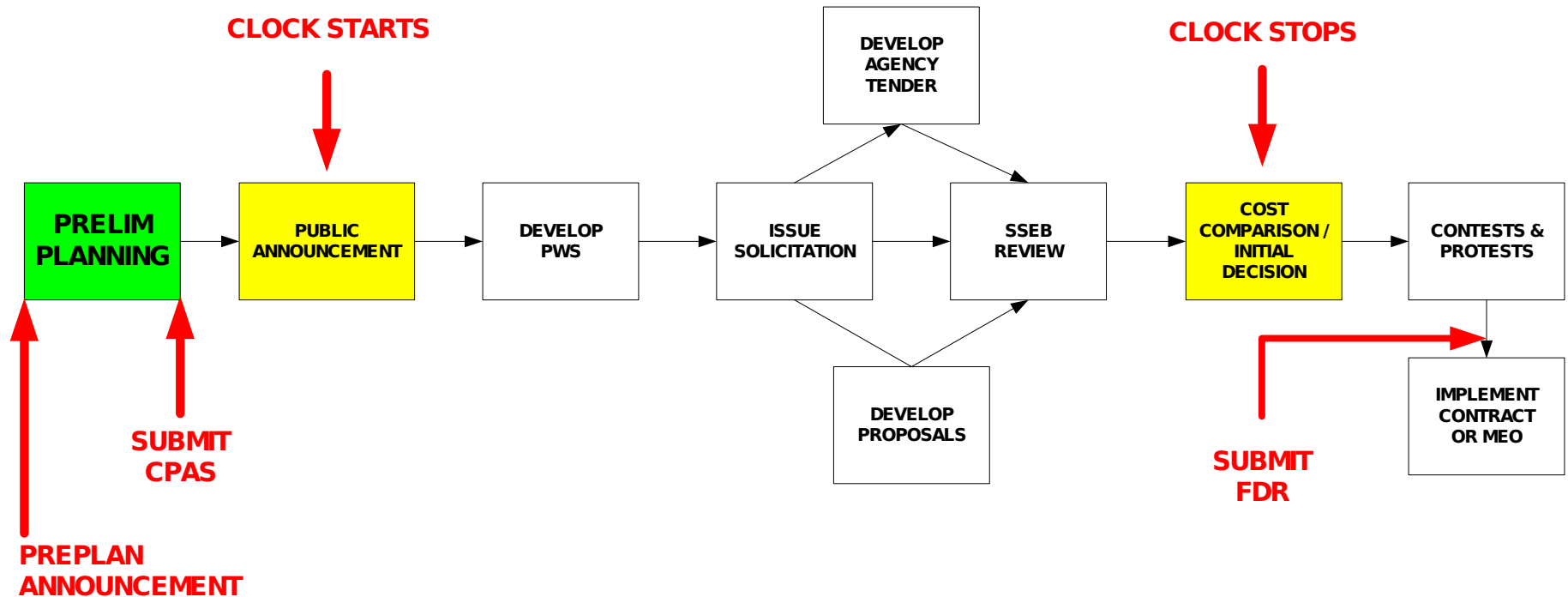
“Condensed Tour” STANDARD COMPETITION

(DoD - 10 or more FTEs)

**(12 Month Time Limit with 6
Month Extension Possibility)**



New A-76 Study Process



Standard: 12 months (+ 6 months)



Preliminary Planning Phase (PPP) Steps

- 1. Scope. “Recommend activities & FTEs to be studied”**
- 2. Grouping. “Conduct preliminary research to determine the appropriate grouping as business units”**
- 3. Workload Data. “Assess workload data, work units, quantifiable outputs, and other similar data & identify current workload systems”**
- 4. Baseline Cost Estimate. “Identify current cost collection systems”**
- 5. Recommend Type of Competition: Streamlined (90 days) or Standard (12 mos)**
- 6. Develop Preliminary Schedule**
- 7. Roles & Responsibilities. Determine roles & responsibilities of participants in the process *and their availability*.**
- 8. Appoint Competition Officials. ATO/PWS/HRA/CO**
- 9. Inform Incumbent Service Providers.**



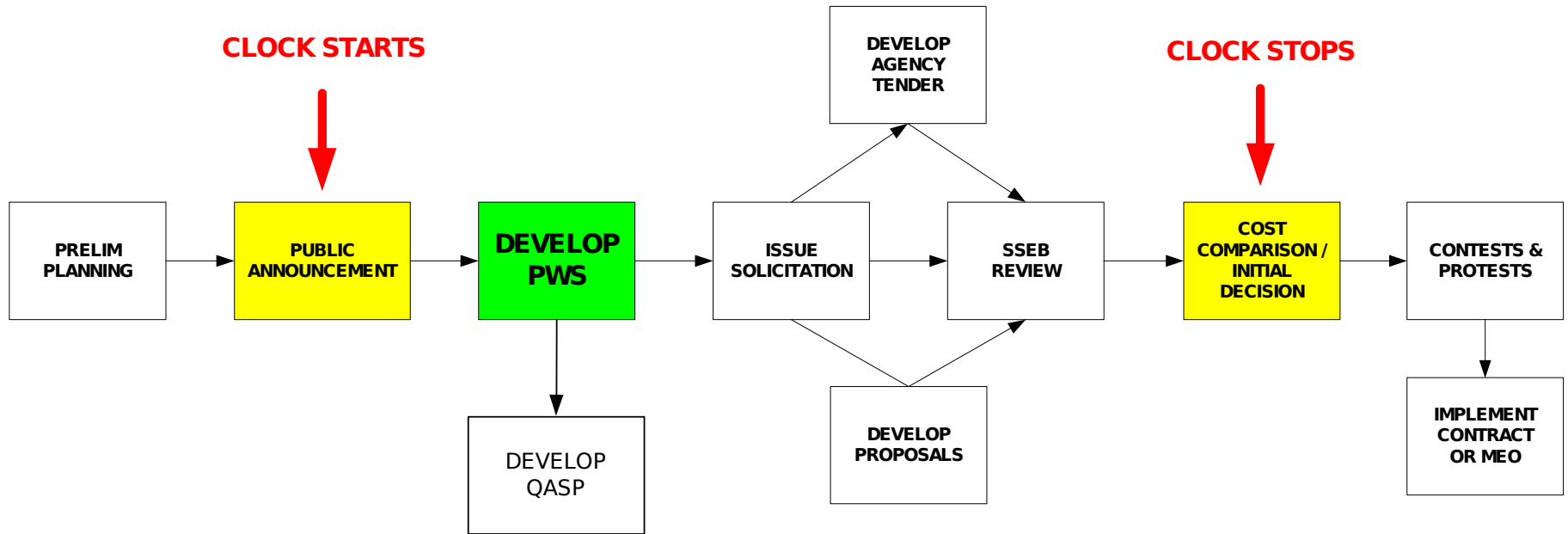
Additional Considerations for PPP from Contracting Perspective

- ACA must play an aggressive role developing and inserting acquisition milestones to the CS timeline
- Substantial development of the Acquisition Strategy and Acquisition Plan must occur during PPP
 - Market Research
 - Description & Scope of Requirement
 - Cost, Schedule, Performance Risk Factors
- **Bottom Line:** Much collection, compiling, analyzing, and organizing of data must occur during PPP (for Acq Strategy and Acq Plan development & approval) prior to starting the 12-month timeline



New A-76 Competition Process

PWS Development

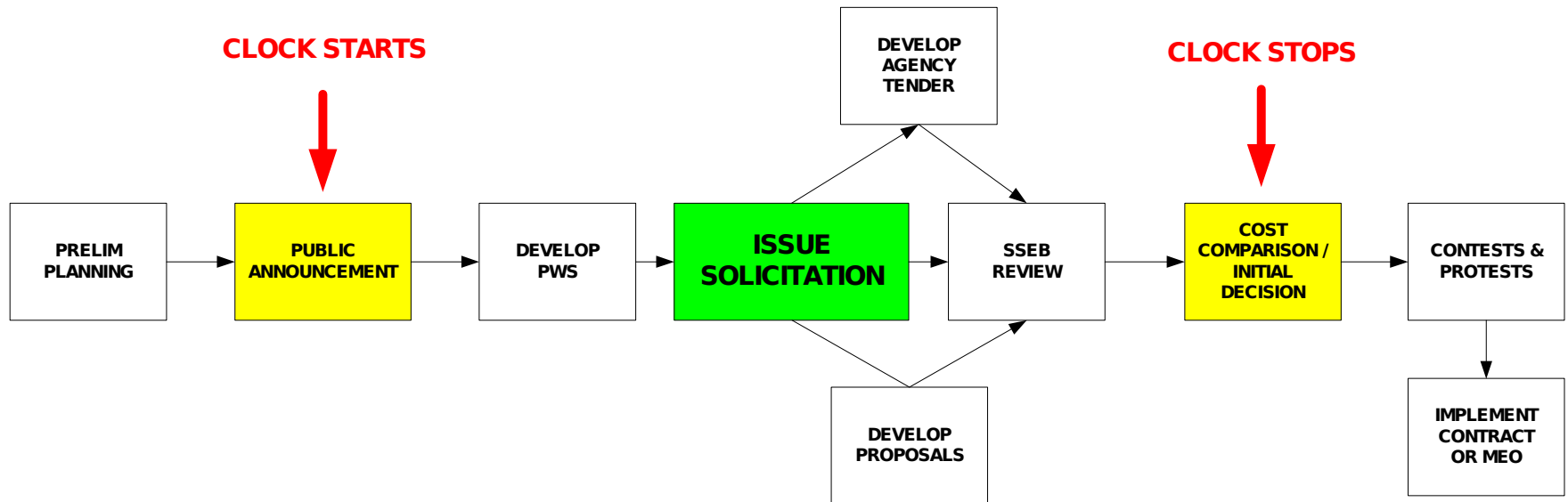


Standard: 12 months (+ 6 months)



New A-76 Competition Process

Solicitation Development

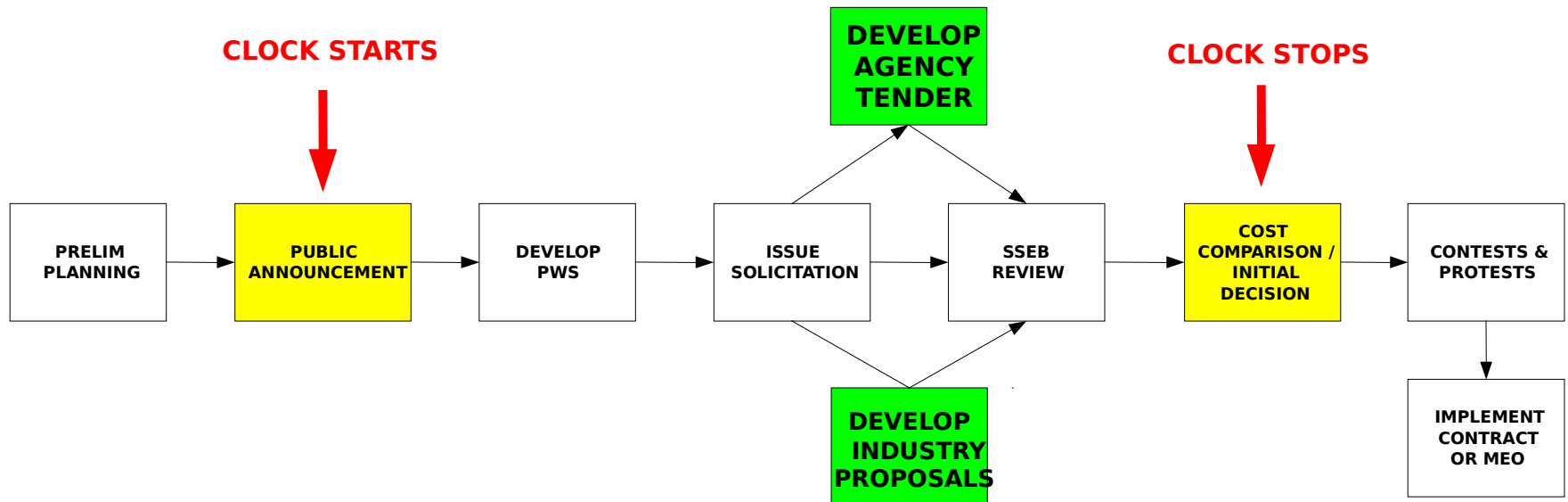


Standard: 12 months (+ 6 months)



New A-76 Competition Process

Agency Tender Development

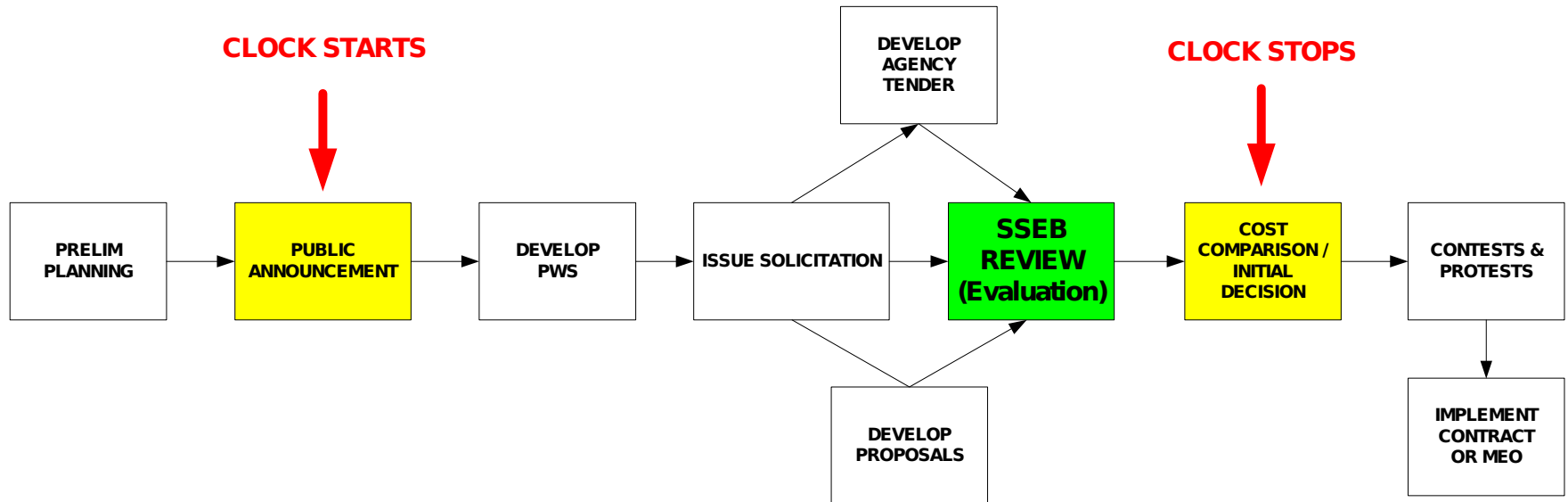


Standard: 12 months (+ 6 months)



New A-76 Competition Process

SSEB Review

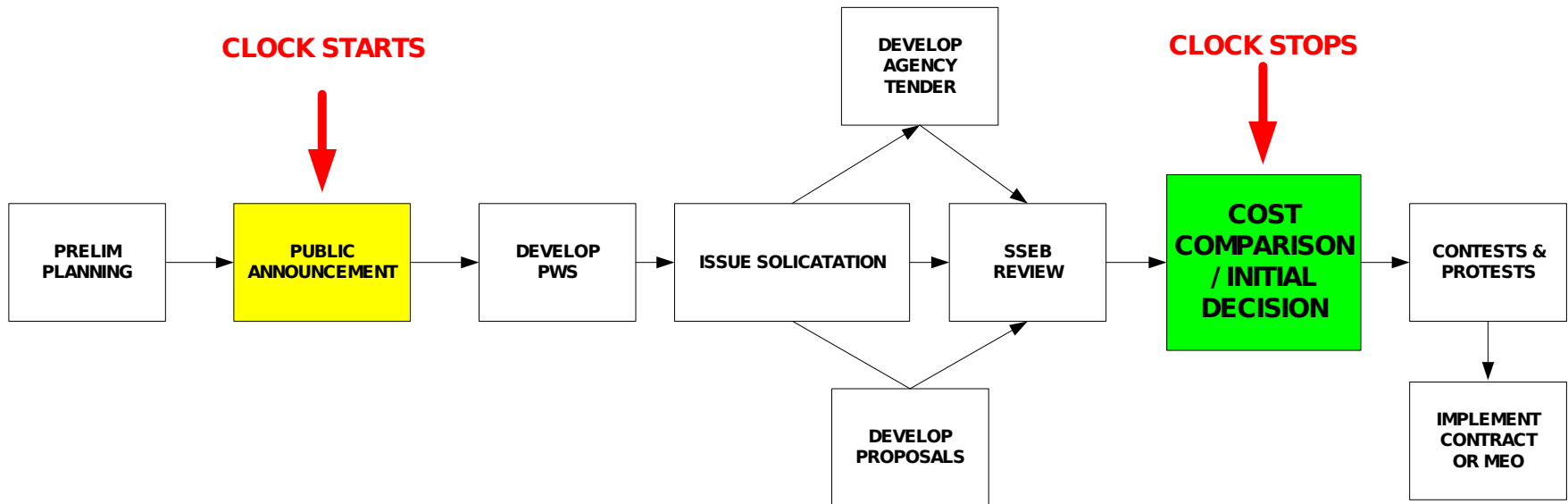


Standard: 12 months (+ 6 months)



New A-76 Competition Process

Cost Comparison

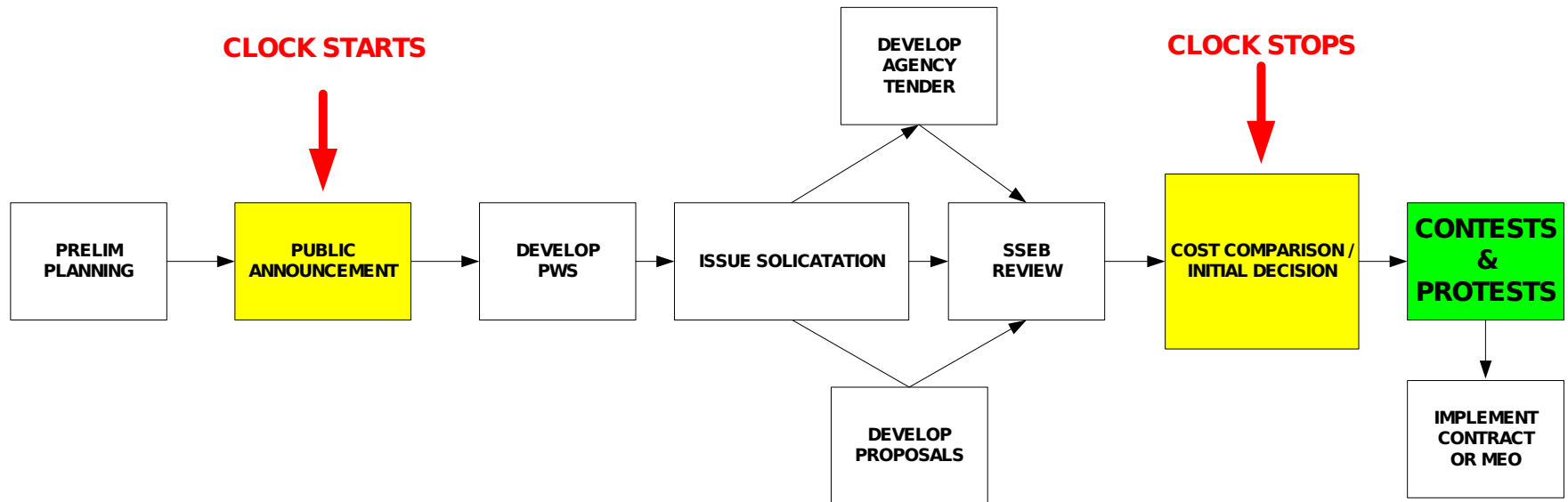


Standard: 12 months (+ 6 months)



New A-76 Competition Process

Contests & Protests



Standard: 12 months (+ 6 months)



Contests (Appeals)

- **Decided by Contest Administrative Board**
- **Standard competitions:**
 - **Must be a directly interested party**
 - **Can Contest:**
 - **Solicitation / Cancellation of a solicitation**
 - **Determination to exclude a tender or offer**
 - **Performance decision**
 - **Termination or cancellation of a contract or letter of obligation**
 - **Contests & resolution governed by FAR Subpart 33.103.**
- **Streamlined competitions: None, unless there is a straightforward error(s).**



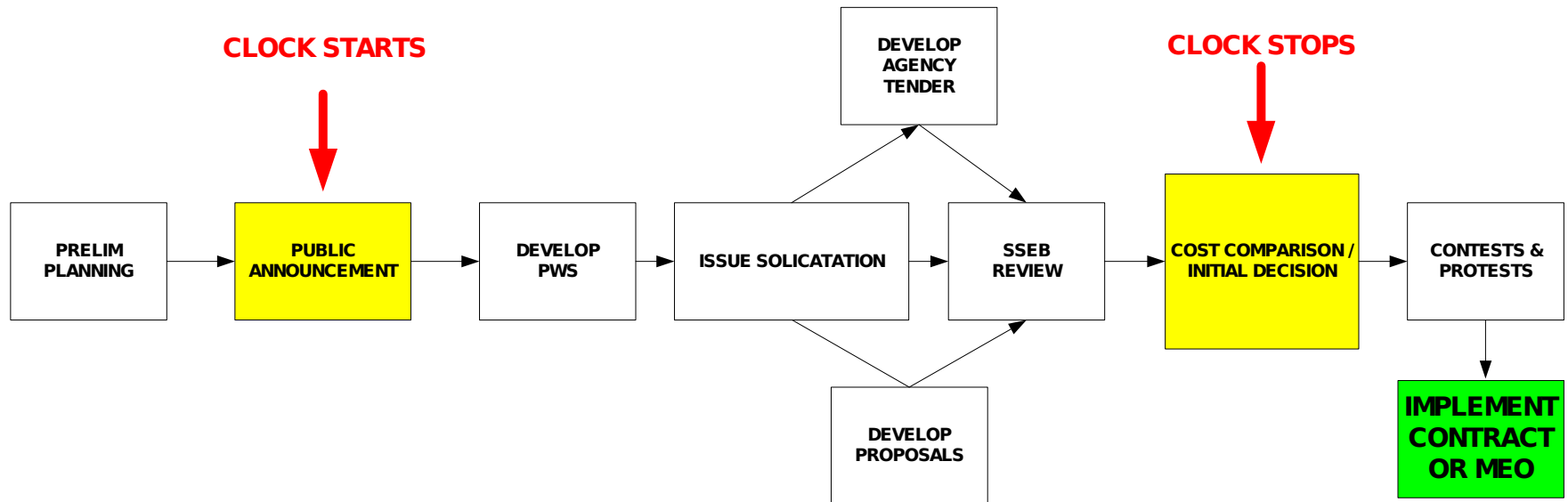
Protests

- **Decided by GAO:**
 - **Must be a directly interested party**
 - **Federal employees/unions *not* deemed to be interested party**
- **A-76 process stops until GAO makes its determination**
- **GAO recommendations do not always result in a performance decision:**
 - **Revising the PWS**
 - **Obtaining new offers**
 - **Conducting another cost comparison**



New A-76 Competition Process

Post Competition Actions



Standard: 12 months (+ 6 months)



Post Competition Actions

- **Submit Final Decision Report after contests & protests resolved**
- **Implement contract or MEO Letter of Obligation**
- **Implement QASP - begin monitoring PWS performance**
- **Conduct Post-MEO Performance Review:**
 - **Annually on all MEOs > 65 FTE & at least 50% of MEOs \leq 65 FTE**
 - **Higher HQ performs post-MEO performance reviews**



STREAMLINED COMPETITION

(DoD: < 10 FTEs)

(135 Day Time Limit with MEO)



Standard v. Streamlined



Streamlined: 90 days (+ 45



OVERVIEW OF ACASR CENTRALIZED SUPPORT OF A-76 COMPETITIVE SOURCING REQUIREMENTS



PARC Centers A-76 Announced Status

FY 06 / 07



Announced Studies

- **Southern Region Contracting Center-East (SRCC-E) -
Ms. Sandy Baxley, Contracting Officer**
 - **Dugway Proving Grounds - 13 Oct 2006**
Directorate of Information Management (DOIM)
- **Southern Region Contracting Center-West (SRCC-W) -
Mr. Charles Fortune, Contracting Officer**
 - **Presidio of Monterey - 25 July 2006**
Directorate of Logistics (DOL)



Announced Studies

- **Ranges Center, Yuma Proving Ground -
Ms. Ann Sanchez, Director**

- **White Sands Missile Range**

- Directorate of Logistics - 28 July 2006**

- Directorate of Public Works - 28 July 2006**

- **Fort Dix - Ms. Pam Lutz, Deputy Director**

- **Fort Buchanan**

- Directorate of Logistics - 29 Sep 2006**

- Directorate of Public Works - 29 Sep 2006**



Announced Studies

Northern Region Contracting Center (NRCC)

- **NRCC - Mr. Mark Hudson, Contracting Officer**
 - **Fort Leavenworth -**
 - Directorate of Logistics - 29 Sep 2006**
 - Directorate of Public Works - 29 Sep 2006**
- **NRCC - Ms. Janice Elliott, Contracting Officer**
 - **West Point -**
 - Directorate of Public Works - 28 Sep 2006**



Announced Studies

Northern Region Contracting Center (NRCC)

- **NRCC - Mr. Ron Turner, Contracting Officer**
 - **Yakima Training Center -**
Base Operations, Directorate of Logistics,
Directorate of Public Works, and Plans and
Operations - 29 Sep 2006
 - **Fort McCoy -**
Directorate of Information Management -
13 Oct 2006



Announced Studies

- **ITEC4 - Ms. Wilma Rose, Director**
 - **Directorate of Plans, Training, Mobilization (DPTM) - 29 Sep 2006**

The FEDBIZOPPS website should you want to view the Public Announcements:

www.fedbizopps.gov



Questions

